

19

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
ADOPTING LOCAL GOALS AND POLICIES FOR COMMUNITY FACILITIES
DISTRICTS

WHEREAS, Section 53312.7(a) of the California Government Code requires that this City Council (the "Council") consider and adopt local goals and policies for community facilities districts ("CFDs") prior to the initiation of proceedings by this Council to establish a CFD under the provisions of Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"); and

WHEREAS, this Council intends to consider the establishment of a CFD related to the financing of park maintenance and street landscape maintenance services in developing areas of the City of Milpitas, and desires at this time to adopt local goals and policies for CFDs so that it may commence proceedings for establishing a community facilities district for such purposes; and

WHEREAS, City Staff have caused to be prepared a draft of goals and policies for CFDs of the City (the "Goals and Policies"), the form of which is on file with the City Clerk, and this Council has duly considered said Goals and Policies.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Milpitas that the Goals and Policies, in the form on file with the City Clerk, are hereby adopted as the local goals and policies of the City for CFDs, and are intended to meet the requirements of Section 53312.7(a) of the Act.

PASSED, APPROVED AND ADOPTED this 5th day of April, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Richard Pio Roda, City Attorney

CITY OF MILPITAS

LOCAL GOALS AND POLICIES FOR
COMMUNITY FACILITIES DISTRICTSI. INTRODUCTION

The City of Milpitas (the "City"), has recognized the need for new development within the City to contribute towards the costs of maintaining parks and street landscape areas in the City.

The Local Goals and Policies delineated below have been prepared to serve two functions. First, they are intended to provide guidelines for the implementation of the City Council's direction that new development provide a source of funds for park maintenance and street landscaping services, which would include the use of Community Facilities Districts ("CFDs"). Second, if the City decides to establish one or more CFDs to help fund such services, Section 53312.7(a) of the California Government Code provides that a local agency must first have considered and adopted local goals and policies concerning the use of CFDs. The goals and policies delineated below are therefore also intended to meet the requirements of said Section 53312.7(a).

II. PUBLIC FINANCE PROGRAM PRIORITIES AND LIMITATIONS

The City shall consider the use of land-secured public financing districts ("Financing Districts") to fund park maintenance and street landscape maintenance services, but under no circumstances shall the City utilize such Financing Districts to finance infrastructure and other capital facilities without future amendment of these Local Goals and Policies.

All proposed residential development that requires the approval by the City of four or more residential dwelling units, or that requires the approval by the City of a subdivision map containing four or more residential dwelling units, shall be required to fund costs related to the provision of park maintenance and street landscape maintenance services. To achieve this goal, the City shall require this type of new residential development to form or annex to a Financing District that will provide revenues on an annual basis to fund such services, thereby supplementing those revenue sources traditionally provided by residential development. Parcels owned by public agencies and property owner associations shall not be required to form or annex to a Financing District for services, and special taxes will not be levied on undeveloped or commercial property, it being intended that special taxes only be levied on residential property.

It is anticipated that the City will utilize a master CFD, with properties annexing thereto, to provide the services. Therefore, the policies listed below refer specifically to CFDs. In cases where applicable State law contradicts these policies, State law shall prevail.

Prepayment of Special Tax. No prepayment shall be allowed for any special tax that finances public services.

Administrative Expenses. The special tax levied in a CFD shall include an amount for administrative expenses relating to the CFD, including expense necessary for the enrollment and collection of the annual special taxes and any necessary bond administration.

C. CONSULTANTS

The City will select all consultants to be retained by the City for a CFD financing, including, but not limited to, the special tax consultant and CFD formation counsel. Consultants, including legal counsel, will be paid by the City, with all costs recouped from future special taxes levied in the CFD.

IV. MINIMUM STANDARDS, WAIVERS AND AMENDMENTS

The policies set forth herein reflect the minimum standards under which the City will make use of CFD to fund certain public services. The City may, in its discretion, require additional measures and procedures for CFDs to fund public improvements or other public services.

The City may, in its discretion and to the extent permitted by law, waive any of the policies set forth herein in particular cases.

The goals and policies set forth herein may be amended at any time and from time to time by the City.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS DECLARING ITS
INTENTION TO ESTABLISH A COMMUNITY FACILITIES DISTRICT AND TO
AUTHORIZE THE LEVY OF SPECIAL TAXES PURSUANT TO THE MELLO-ROOS
COMMUNITY FACILITIES ACT OF 1982

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 et seq. of the California Government Code (the "Law"), this City Council (the "Council") may commence proceedings for the establishment of a community facilities district, and this Council now desires to commence proceedings to establish a community facilities district (the "District") to finance park maintenance and street landscape maintenance services in developing areas of the City as described herein; and

WHEREAS, under the Law, this Council is the legislative body for the proposed District and is empowered with the authority to establish the District and levy special taxes within the District; and

WHEREAS, this Council now desires to proceed with the actions necessary to consider the establishment of the District.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Milpitas, as follows:

Section 1. This Council proposes to begin the proceedings necessary to establish the District pursuant to the Law.

Section 2. The name proposed for the District is City of Milpitas Community Facilities District No. 2005-1 (Public Services).

Section 3. The proposed boundaries of the District are as shown on the map of the District on file with the City Clerk, which boundaries are hereby preliminarily approved. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the District in the office of the County Recorder as soon as practicable after the adoption of this Resolution.

Section 4. The type of services proposed to be funded by the District and pursuant to the Law shall consist of those services described on Exhibit A hereto which Exhibit is by this reference incorporated herein (the "Services").

Section 5. Except to the extent that funds are otherwise available to the District to pay for the Services and the administrative expenses of the District, a special tax sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the District, will be levied annually within the District and collected in the same manner as ordinary ad valorem property taxes or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the special tax among the parcels of real property within the District, in sufficient detail to allow each landowner within the proposed District to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto which Exhibit is by this reference incorporated herein.

This Council finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the California Government Code (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the District.

Section 6. The levy of said proposed special tax shall be subject to the approval of the qualified electors of the District at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed District, with each owner having one vote for each acre or portion of an acre of land such owner owns in the District.

Section 7. Except as may otherwise be provided by law or the rate and method of apportionment of the special tax for the District, all lands owned by any public entity, including the United States, the State of California, the City and/or any departments or political subdivisions of any thereof, shall be omitted from the levy of the special tax to be made to cover the costs and expenses of the Services and any expenses of the District.

Section 8. The Director of Financial Services of the City of Milpitas or his designee is hereby directed to study the proposed CFD and the Services and to make, or cause to be made, and file with the City Clerk a report in writing, presenting the following:

- (a) A brief description of the Services.

(b) An estimate of the fair and reasonable cost of providing the Services, including the incidental expenses in connection therewith, including any City administration costs and all other related costs.

Said report shall be made a part of the record of the public hearing provided for below.

Section 9. Tuesday, May 17, 2005, at 7:00 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of this Council, 455 East Calaveras Boulevard, Milpitas, California, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the District, will conduct a public hearing on the establishment of the District and consider and finally determine whether the public interest, convenience and necessity require the formation of the District and the levy of said special tax.

Section 10. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper published in the area of the District. The publication of said notice shall be completed at least seven days before the date herein set for said hearing. Said notice shall be substantially in the form of Exhibit C hereto.

Section 11. This Council hereby determines that public convenience and necessity require that territory be added to the District in the future, and that this Resolution shall constitute a resolution of intention to annex territory to the District pursuant to Sections 53339.2 and 53339.3 of the Law. The name for the District is City of Milpitas Community Facilities District No. 2005-1 (Public Services). The territory proposed for annexation to the District in the future is as indicated as such on the map of the District described in Section 3 above (the "Annexation Area"); provided that such territory may be annexed to the District only with the unanimous approval of the owner or owners of each parcel or the parcels to be annexed at the time that parcel or those parcels are so annexed. The types of services to be provided in the District and in the Annexation Area are the "Services" referenced in Section 4 above. The special taxes which will be levied in the Annexation Area shall be the same as those described in Section 5 above, and there shall be no alteration in the special tax rate levied in the District as a result of the proposed annexation. The hearing regarding the proposed annexation described in this Section 11 and required by Section 53339.3(f) of the Law shall be combined with the hearing described in Section 9 above, and the notice described in Section 10 above shall constitute the notice required by Section 53339.4 of the Law.

Section 12. This Resolution shall take effect upon its adoption.

PASSED, APPROVED AND ADOPTED this 5th day of April, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Richard Pio Roda, City Attorney

EXHIBIT A

CITY OF MILPITAS COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES)

Services:

The services to be funded, in whole or in part, by the City of Milpitas Community Facilities District No. 2005-1 (Public Services) (the "CFD") include all direct and incidental costs related to providing park maintenance and street landscape maintenance services, including but not limited to the maintenance of parks, parkways, street median and right of way areas, interchange areas and improvements, plazas, light rail corridors, open space areas and other similar or related areas in the City of Milpitas (the "City"). The CFD may fund any of the following related to the services described in the preceding sentence: obtaining, constructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/or equipment, apparatus, facilities or fixtures in areas to be maintained, maintaining street lighting, irrigation systems and other appurtenances, paying the salaries and benefits of personnel necessary or convenient to provide the services, payment of insurance costs and other related expenses and the provision of reserves for repairs and replacements and for the future provision of services. Any services to be funded by the CFD must be in addition to those provided in the territory of the CFD before the date of creation of the CFD, and may not supplant services already available within that territory when the CFD is created. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof.

Administrative Expenses:

The direct and indirect expenses incurred by the CFD or the City in connection with the establishment and administration of the CFD (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of attorneys, any fees of the City related to the CFD or the collection of special taxes, an allocable share of the salaries of City staff directly related thereto and a proportionate amount of the City's general administrative overhead related thereto, any amounts paid by the City from its general funds with respect to the CFD or the services authorized to be financed by the CFD, and expenses incurred by the City in undertaking any action to collect from or foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the CFD.

Other:

The incidental expenses that may be financed by the CFD include: (i) all costs associated with the establishment and administration of the CFD, the determination of the amount of and collection of taxes, the payment of taxes, and costs otherwise incurred in order to carry out the authorized purposes of the CFD, (ii) any other expenses incidental to the provision of the services eligible to be funded by the CFD, and (iii) any amounts necessary to maintain a reserve reasonably required by the City for the payment of the costs of the services.

EXHIBIT B

CITY OF MILPITAS COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels of Residential Property in City of Milpitas Community Facilities District No. 2005-1 (Public Services) ("CFD No. 2005-1"), and collected each Fiscal Year commencing in Fiscal Year 2005-06, in an amount determined by the Council through the application of the appropriate Special Tax, as described below. All of the real property in CFD No. 2005-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2005-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or any designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs to the City, CFD No. 2005-1 or any designee thereof of complying with City, CFD No. 2005-1 or obligated persons disclosure requirements associated with the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2005-1 or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2005-1 for any other administrative purposes of CFD No. 2005-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Affordable Housing" means any Dwelling Units located on Residential Property that are subject to deed restrictions, resale restrictions and/or regulatory agreements recorded on the property that provide housing for persons that meet the Low, Very Low, and/or Extremely Very Low income levels pursuant to, as applicable, California Health & Safety Code Sections 50093, 50079.5, 50105, or 50106. The Fiscal Year after the January 1 following the termination of the agreement containing covenants or similar instrument, a Dwelling Unit shall no longer be considered Affordable Housing.

"Assessor's Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

"Certificate of Occupancy" means a certificate issued by the City that authorizes the actual occupancy of a Dwelling Unit for habitation by one or more residents.

"CFD Administrator" means an official of the City, or any designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2005-1" means City of Milpitas Community Facilities District No. 2005-1 (Public Services).

"City" means the City of Milpitas.

"Consumer Price Index" means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area, measured as of the month of February in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the San Francisco-Oakland-San Jose Area.

"Council" means the City Council of the City, acting as the legislative body of CFD No. 2005-1.

"County" means the County of Santa Clara.

"County Median Income" means the current median income for the County of Santa Clara as determined by the U.S. Department of Housing and Urban Development.

"Developed Property" means, for each Fiscal Year, all Assessor's Parcels of Residential and Non-Residential Property for which a Certificate of Occupancy, or equivalent certificate, was issued before February 1 of the prior Fiscal Year, but not earlier than February 1, 2005.

"Dwelling Unit" means a building or portion thereof designed for and occupied in whole or part as a residence or sleeping place, either permanently or temporarily, by one family and its guests, with sanitary facilities and one kitchen provided within the unit. Boarding or lodging houses, dormitories, and hotels shall not be defined as Dwelling Units unless the land use permit specifies a residential use.

"Extremely Low-Income Affordable Housing" means Affordable Housing suitable for households with incomes at or below 30% of the County Median Income.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Land Use Class" means the land use class into which an Assessor's Parcel of Residential Property has been assigned.

"Low-Income Affordable Housing" means Affordable Housing suitable for households with incomes at or below 80% of the County Median Income.

"Maximum Special Tax" means, for each Fiscal Year, the maximum Special Tax, determined in accordance with Section C, below, that can be levied on any Assessor's Parcel of Residential Property.

"Market-Priced Residential Property" means Residential Property not classified as Affordable Housing.

"Non-Residential Property" means, for each Fiscal Year, any Assessor's Parcel of Developed Property for which a Certificate of Occupancy has been issued for purposes of constructing non-residential development.

"Property Owner Association Property" means, for each Fiscal Year, any Assessor's Parcel within the boundaries of CFD No. 2005-1 that is owned by or irrevocably offered for dedication to a property owner association, including any master or sub-association.

"Proportionately" means that the ratio of the actual annual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Residential Property.

"Public Property" means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2005-1 that is owned by or irrevocably offered for dedication to the federal government, the State, the City or any other public agency; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act, as such section may be amended or replaced, shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 2005-1 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

"Residential Property" means, for each Fiscal Year, any Assessor's Parcel of Developed Property for which a Certificate of Occupancy has been issued for purposes of allowing residents to inhabit one or more residential Dwelling Units.

"Services" means services that CFD No. 2005-1 is authorized to fund. CFD No. 2005-1 shall finance Services only to the extent that they are in addition to those provided in the territory of CFD No. 2005-1 before CFD No. 2005-1 was created and such Services may not supplant services already available within CFD No. 2005-1 when CFD No. 2005-1 was created.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Residential Property to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount to be collected in any Fiscal Year for CFD No. 2005-1 to pay for certain costs as required to meet the needs of CFD No. 2005-1 in that Fiscal Year. The costs to be covered

shall be the costs of (i) Services, and (ii) Administrative Expenses; less (iii) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator.

"State" means the State of California.

"Undeveloped Property" means, for each Fiscal Year, all property not classified as Residential Property, Non-Residential Property, Public Property, or Property Owner Association Property.

"Very Low-Income Affordable Housing" means Affordable Housing suitable for households with incomes at or below 50% of the County Median Income.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Assessor's Parcels, as applicable within CFD No. 2005-1, shall be classified as Residential Property, Non-Residential Property, Undeveloped Property, Public Property, or Property Owner Association Property. However, only Residential Property shall be subject to annual Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below. Residential Property shall be assigned to Land Use Classes 1-4, as listed in Table 1, below.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

a. Maximum Special Tax

The Maximum Special Taxes for Fiscal Year 2005-06 for Residential Property are shown below in Table 1, based on the Land Use Class in which such Residential Property has been assigned. Under no circumstances shall a Special Tax be levied on Non-Residential Property, or for renovations to an existing Dwelling Unit located on Residential Property.

TABLE 1

Maximum Special Taxes for Developed Property
For Fiscal Year 2005-06
Community Facilities District No. 2005-1

Land Use Class	Land Use Type	Maximum Special Tax Per Dwelling Unit
1	Market-Priced Residential Property	\$310.61 per Dwelling Unit
2	Low- Income Affordable Housing	\$248.48 per Dwelling Unit
3	Very Low-Income Affordable Housing	\$155.30 per Dwelling Unit
4	Extremely Low-Income Affordable Housing	\$0.00 per Dwelling Unit

b. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2006, the Maximum Special Taxes set forth above shall be increased annually by the greater of the change in the San Francisco-Oakland-San Jose Area Urban Consumer Price Index during the twelve months prior to February of the previous Fiscal Year, or two percent (2%).

2. Undeveloped Property, Non-Residential Property, Public Property or Property Owner Association Property

No Special Taxes shall be levied on Undeveloped Property, Non-Residential Property, Property Owner Association Property, Public Property or Residential Property assigned to Land Use Class 4.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06 and for each following Fiscal Year, the Council or its designee shall levy the annual Special Tax Proportionately for each Assessor's Parcel of Residential Property at up to 100% of the applicable Maximum Special Tax, until the amount of Special Taxes equals the Special Tax Requirement.

E. EXEMPTIONS

No Special Tax shall be levied on Undeveloped Property, Non-Residential Property, Public Property, Property Owner Association Property or Residential Property assigned to Land Use Class 4. However, should an Assessor's Parcel no longer be classified as Non-Residential Property, Public Property, Property Owner Association Property, or Residential Property assigned to Land Use Class 4, such Assessor's Parcel, if reclassified as Residential Property assigned to Land Use Classes 1, 2 or 3, shall be subject to the Special Tax. Furthermore, an Assessor's Parcel of Residential Property assigned to Land Use Classes 1, 2 or 3, if reclassified as belonging to a different Land Use Class, shall be subject to the Special Tax associated with its new Land Use Class.

Furthermore, no Special Tax shall be levied on the portion of Santa Clara County Assessor's Parcel Number 086-050-09 encompassed by the metes and bounds listed on Attachment 1.

F. APPEALS AND INTERPRETATIONS

Any landowner or resident may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for the appellant's disagreement with the CFD Administrator's determination. The decision by the Council shall be final. The CFD Administrator may charge the appellant a reasonable fee for processing the appeal.

Interpretations may be made by the Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 2005-1 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations. In particular, the Special Tax for Affordable Housing may be collected off of the tax roll, to facilitate payment of the Special Tax by a party other than the property owner.

H. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to meet the Special Tax Requirement.

ATTACHMENT NO. 1 LEGAL DESCRIPTION

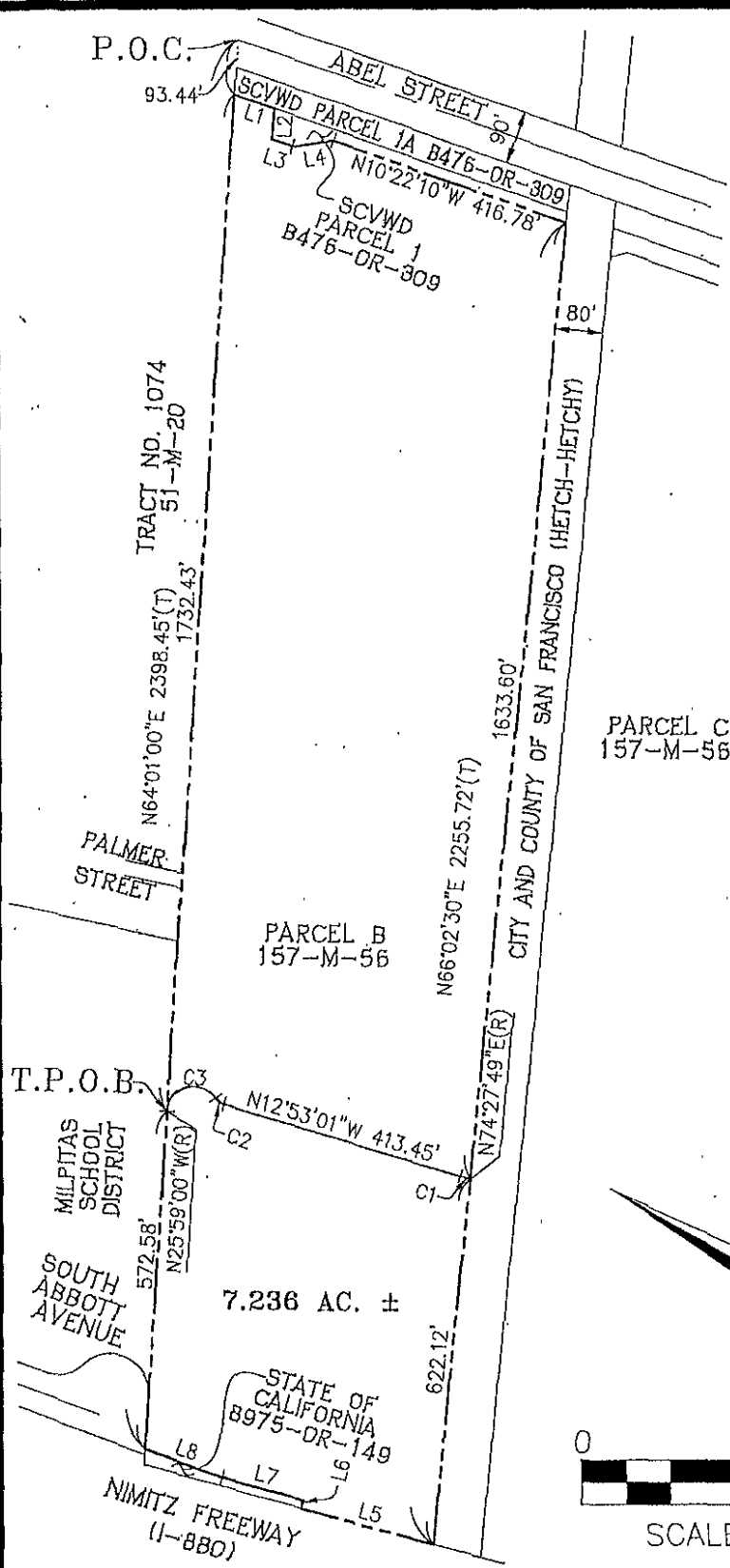
All that real property situated in the City of Milpitas, County of Santa Clara, State of California, described as follows:

A portion of "Parcel B", as said Parcel is shown on that certain Record of Survey Map filed March 7, 1963, for record in Book 157 of Maps, at Page 56, Santa Clara County Records, being more particularly described as follows:

Commencing at the point of intersection of the centerline of Abel Street, 90.00 feet wide, as shown on said Map, with the prolongation of the northerly line of "Parcel B", as shown on said Map; thence running along said northerly line and the prolongation thereof

- a.) S64°01'00"W, a distance of 1,825.87 feet to the **TRUE POINT OF BEGINNING**; said point also being the beginning of a curve to the right, from which the radius point bears S25°59'00"E, a radial distance of 45.50 feet; thence leaving said northerly line
- 1.) Easterly and Southerly along said curve to the right, through a central angle of 142°55'16", a distance of 113.50 feet; to the beginning of a reverse curve to the left having a radius of 25.00 feet; thence
- 2.) Southerly along said curve, through a central angle of 39°49'17", a distance of 17.38 feet; thence
- 3.) S12°53'01"E, a distance of 413.45 feet to the beginning of a curve to the left having a radius of 370.00 feet; thence
- 4.) Southeasterly along said curve, through a central angle of 2°39'10", a distance of 17.13 feet to the southerly line of said "Parcel B", thence along said southerly line
- 5.) S66°02'30"W, a distance of 622.12 feet to the westerly line of said "Parcel B", said line also being the easterly line of State Highway "Interstate 880"; thence leaving said southerly line and running along said westerly and easterly line
- 6.) N14°19'57"W, a distance of 229.41 feet to the southerly line of the Lands of the State of California as described in the deed recorded July 3, 1970 in Book 8975, Page 149, Official Records of Santa Clara County, California; thence running along said southerly line
- 7.) N75°40'03"E, a distance of 14.00 feet to the easterly line of said Lands of the State of California; thence leaving said southerly line and running along said easterly line
- 8.) N14°19'57"W, a distance of 140.47 feet; thence continuing along said easterly line
- 9.) N09°27'34"W, a distance of 139.91 feet to the northerly line of said "Parcel B"; thence leaving said easterly line and running along said northerly line
- 10.) N64°01'00"E, a distance of 572.58 feet to the **TRUE POINT OF BEGINNING**.

Containing 315,187.25 square feet or 7.2357 acres, more or less.



LEGEND

P.O.C.
T.P.O.B.

POINT OF COMMENCEMENT
TRUE POINT OF BEGINNING
PROPERTY BOUNDARY LINE
CENTERLINE
EXISTING LOT LINE
NEW LOT LINE
TIE LINE
(T) TOTAL DIMENSION
(R) RADIAL BEARING

LINE TABLE		
LINE	BEARING	DIST
L1	N10°22'10"W	71.49'
L2	N65°03'23"E	51.66'
L3	N10°22'10"W	37.00'
L4	N37°40'08"W	69.77'
L5	N14°19'57"W	229.41'
L6	N75°40'03"E	14.00'
L7	N14°19'57"W	140.47'
L8	N09°27'34"W	139.91'

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	17.13'	370.00'	2°39'10"
C2	17.38'	25.00'	39°49'17"
C3	113.50'	45.50'	142°55'16"

ATTACHMENT NO. 1

PLAT TO ACCOMPANY
LEGAL DESCRIPTION

A PORTION OF PARCEL B
BOOK 157 OF MAPS, PAGE 56

RECORDS OF SANTA CLARA COUNTY, CALIFORNIA
CITY OF MILPITAS, SANTA CLARA COUNTY, CALIFORNIA

**Ruggeri -
Jensen -
Azar & Associates**
ENGINEERS • PLANNERS • SURVEYORS
8055 CAMINO ARROYO • GILROY, CA 95020
PHONE: (408) 848-0300 • FAX: (408) 848-0302

PAGE 2 OF 2

SCALE:
1" = 300'

DATE:
3-14-2005

JOB NO.:
032011

EXHIBIT C

CITY OF MILPITAS
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)

NOTICE OF PUBLIC HEARING

Notice is hereby given that on April 5, 2005, the City Council of the City of Milpitas adopted a Resolution entitled "A Resolution of the City Council of the City of Milpitas Declaring Its Intention To Establish A Community Facilities District And To Authorize The Levy Of Special Taxes Pursuant To The Mello-Roos Community Facilities Act of 1982". Pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Law") the City Council of the City of Milpitas hereby gives notice as follows:

A. The text of said Resolution of Intention is as follows:

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 et seq. of the California Government Code (the "Law"), this City Council (the "Council") may commence proceedings for the establishment of a community facilities district, and this Council now desires to commence proceedings to establish a community facilities district (the "District") to finance park maintenance and street landscape maintenance services in developing areas of the City as described herein; and

WHEREAS, under the Law, this Council is the legislative body for the proposed District and is empowered with the authority to establish the District and levy special taxes within the District; and

WHEREAS, this Council now desires to proceed with the actions necessary to consider the establishment of the District.

NOW, THEREFORE, it is hereby ORDAINED by the City Council of the City of Milpitas, as follows:

Section 1. This Council proposes to begin the proceedings necessary to establish the District pursuant to the Law.

Section 2. The name proposed for the District is City of Milpitas Community Facilities District No. 2005-1 (Public Services).

Section 3. The proposed boundaries of the District are as shown on the map of the District on file with the City Clerk, which boundaries are hereby preliminarily approved. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the District in the office of the County Recorder as soon as practicable after the adoption of this Resolution.

Section 4. The type of services proposed to be funded by the District and pursuant to the Law shall consist of those services described on Exhibit A hereto which Exhibit is by this reference incorporated herein (the "Services").

Section 5. Except to the extent that funds are otherwise available to the District to pay for the Services and the administrative expenses of the District, a special tax sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the District, will be levied annually within the District and collected in the same manner as ordinary ad valorem property taxes or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the special tax among the parcels of real property within the District, in sufficient detail to allow each landowner within the proposed District to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto which Exhibit is by this reference incorporated herein.

This Council finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the California Government Code (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the District.

Section 6. The levy of said proposed special tax shall be subject to the approval of the qualified electors of the District at a special election. The proposed voting procedure shall be by mailed or hand-

delivered ballot among the landowners in the proposed District, with each owner having one vote for each acre or portion of an acre of land such owner owns in the District.

Section 7. Except as may otherwise be provided by law or the rate and method of apportionment of the special tax for the District, all lands owned by any public entity, including the United States, the State of California, the City and/or any departments or political subdivisions of any thereof, shall be omitted from the levy of the special tax to be made to cover the costs and expenses of the Services and any expenses of the District.

Section 8. The Director of Financial Services of the City of Milpitas or his designee is hereby directed to study the proposed CFD and the Services and to make, or cause to be made, and file with the City Clerk a report in writing, presenting the following:

(a) A brief description of the Services.

(b) An estimate of the fair and reasonable cost of providing the Services, including the incidental expenses in connection therewith, including any City administration costs and all other related costs.

Said report shall be made a part of the record of the public hearing provided for below.

Section 9. Tuesday, May 17, 2005, at 7:00 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of this Council, 455 East Calaveras Boulevard, Milpitas, California, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the District, will conduct a public hearing on the establishment of the District and consider and finally determine whether the public interest, convenience and necessity require the formation of the District and the levy of said special tax.

Section 10. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper published in the area of the District. The publication of said notice shall be completed at least seven days before the date herein set for said hearing. Said notice shall be substantially in the form of Exhibit C hereto.

Section 11. This Council hereby determines that public convenience and necessity require that territory be added to the District in the future, and that this Resolution shall constitute a resolution of intention to annex territory to the District pursuant to Sections 53339.2 and 53339.3 of the Law. The name for the District is City of Milpitas Community Facilities District No. 2005-1 (Public Services). The territory proposed for annexation to the District in the future is as indicated as such on the map of the District described in Section 3 above (the "Annexation Area"); provided that such territory may be annexed to the District only with the unanimous approval of the owner or owners of each parcel or the parcels to be annexed at the time that parcel or those parcels are so annexed. The types of services to be provided in the District and in the Annexation Area are the "Services" referenced in Section 4 above. The special taxes which will be levied in the Annexation Area shall be the same as those described in Section 5 above, and there shall be no alteration in the special tax rate levied in the District as a result of the proposed annexation. The hearing regarding the proposed annexation described in this Section 11 and required by Section 53339.3(f) of the Law shall be combined with the hearing described in Section 9 above, and the notice described in Section 10 above shall constitute the notice required by Section 53339.4 of the Law.

Section 12. This Resolution shall take effect upon its adoption.

B. The exhibits to the Resolution which describe the services to be financed and the rate and method of apportionment of the special taxes for the district are on file in the office of the City Clerk of the City.

C. The time and place established under said Resolution for the public hearing required under the Act are Tuesday, May 17, 2005, at the hour of 7:00 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of the City Council of the City of Milpitas, 455 East Calaveras Boulevard, Milpitas, California.

D. At said hearing, the testimony of all interested persons or taxpayers for or against the establishment of the district, the extent of the district or the furnishing of the specified types of services will be heard. Any person interested may file a protest in writing with the City Clerk of the City. If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be included in the district, or the owners of one-half or more of the area of land in the territory proposed to be included in the district and not exempt from the special tax file written protests against the establishment of the district and the protests are not withdrawn to reduce the value of the protests to less than a majority, the City Council shall take no further action to establish the district or levy the special taxes for a period of one year from the date of the decision of the City

Council, and if the majority protests of the registered voters or the landowners are only against the furnishing of a type or types of services within the district, or against levying a specified special tax, those types of services or the specified special tax will be eliminated from the proceedings to form the district.

E. The proposed voting procedure shall be by special mail or hand-delivered ballot to the property owners within the territory proposed to be included in the district.

Dated: April __, 2005

City Clerk,
City of Milpitas